



**Nassau County**  
***HOME Down Payment Assistance Program***  
***For First-Time Homebuyers***

**2012**  
**PROGRAM GUIDELINES**

All Applicants are **required** to read the below Guidelines and affix their signature to the Acknowledgment on page 9 of this document signifying that they have read the Guidelines. All Applicants must return a signed copy of the Acknowledgment with their application to the Nassau County Office of Community Development (OCD). Nassau County strongly recommends that you consult an Attorney prior to reviewing and signing this document. Should an application be approved, the Applicant will be required to provide a copy of this document to their attorney. Failure to return a signed copy of the Acknowledgment to OCD, will result in disqualification of the application.

Should an application be accepted and processed, a mortgage counselor from Long Island Housing Partnership, Inc. (LIHP), will review the 2012 Program Guidelines with the Applicant and **both** parties will affix their initials, and the date, to the bottom of each page. Additionally, **both** the Applicant and the LIHP Counselor will affix their signatures, before a notary, at the end of this document signifying that the 2012 Program Guidelines were satisfactorily explained to the Applicant, by the LIHP Counselor. **Nassau County is not responsible to any party for the loss of a down payment or any other damages which may arise as a result of a person's failure to adhere to the terms of the 2012 Program Guidelines, herein.**

**PLEASE RETAIN A COPY OF THESE GUIDELINES AFTER SUBMISSION AS THEY CONTAIN IMPORTANT PROGRAM INFORMATION**

**Any party whose application has been reviewed and determined to be eligible must give a copy of the 2012 Program Guidelines to their Attorney(s) immediately. The 2012 Program Guidelines contain important legal information/language which must be written into any contract for purchase of a home through this program. Nassau County is not responsible to any party for the loss of a down payment or any other damages which may arise as a result of a party's failure to incorporate the 2012 Program Guidelines terms/language into any contract for purchase of a home through this program.**

**Nassau County reserves the right to exercise final approval on any application.**

Applicant Initials & date: \_\_\_\_\_

LIHP Counselor Initials & date: \_\_\_\_\_

## I. Grant Assistance

- **Down Payment Assistance** - Under this program Nassau County (NC) will provide eligible first-time homebuyers up to \$20,000 towards down payment/closing costs for the purchase of a Nassau County approved single-family home. Eligibility and approval by Nassau County is based upon Federal regulations, which cannot be waived and/or modified. Nassau County approval is a prerequisite to receiving any grant funds. Only single-family homes which meet Federal Housing Quality Standards will be eligible. Nassau County is not responsible, to any party, for the loss of any deposit and/or down payment on a home, which has not passed a Federal Housing Quality Inspection. This program can be coupled with most other types of assistance programs and mortgages available, but cannot be used with any program already being funded with HOME funds through Nassau County.
- **Home Buyer Contribution** – Applicant(s) must have a minimum of \$3,000 of their own funds (not a gift) to apply towards the down payment at the date of application for assistance.

## II. Income Guidelines <sup>1</sup>

The maximum permitted annual **household** income for purchasers in the Nassau County HOME Down Payment Assistance Program shall not exceed 80% of the median annual household income for the area as determined by HUD:

<u>Household Size</u>	<u>Maximum Annual Income</u> <sup>2</sup>	<u>Minimum Annual Income</u>
1	\$ 60,200	\$30,000
2	\$ 68,800	\$30,000
3	\$ 77,400	\$30,000
4	\$ 86,000	\$30,000
5	\$ 92,900	\$30,000
6	\$ 99,800	\$30,000
7	\$ 106,650	\$30,000
8 or more	\$ 113,500	\$30,000

<sup>1</sup> Before applying, potential applicants with **Housing Choice Vouchers** should contact:  
 Nassau County Office of Community Development  
 Homeownership Center, Suite B  
 40 Main Street, First Floor  
 Hempstead, NY 11550  
 Tel# (516) 572-2723

<sup>2</sup> Includes all income – overtime, bonuses, pensions, social security, 401K distributions, tips, etc. Your gross income cannot exceed the maximum annual income for your household size. The **Long Island Housing Partnership (LIHP) must project the income that will be received for the upcoming 12-month period.** Tax returns will be required for all household members whose earnings will be used as part of the income qualification. Any person whose earnings will be used to qualify for the program will be required to sign a '4506' tax release form to verify their tax returns with the Internal Revenue Service.

Applicant Initials & date: \_\_\_\_\_

LIHP Counselor Initials & date: \_\_\_\_\_

### **III. Property Value Limit**

The appraised value of the single family home to be purchased may not exceed 95% of the median purchase price for Nassau County, as established by HUD annually. **The maximum appraised value of a single-family unit is \$396,625.** Please verify this figure with LIHP prior to signing a contract.

### **IV. Applicant Eligibility**

Applications received shall be evaluated and must be certified as income eligible on a first come, first served basis according to the Application Intake and Qualification process in Section XIII.

A letter from LIHP detailing the eligibility or ineligibility will be sent to each applicant after a full review of the applicant has been conducted. Any applicant who does not close on a house within six (6) months of the date of income eligibility letter sent by LIHP **will** be required to have their income eligibility recertified. The recertification process requires that the Applicant resubmit copies of four (4) current paychecks and copies of personal financial information to determine that they still meet the eligibility requirements of the program.

### **V. First-Time Homebuyer Requirement**

This program is limited to first-time homebuyers only. A first-time homebuyer is a household that has not owned a home during the three-year period immediately prior to the date of application for assistance.

### **VI. Eligible Housing Types**

Eligible homes are pre-existing or newly constructed **single-family residences** located within Nassau County, occupied as a principal residence and cannot contain any rental units or second kitchens.

Housing types include:

- Detached Single-Family Units
- Town Houses
- Condominiums
- Co-operative Apartments
- Manufactured homes

### **NO Short Sales or Foreclosures are permitted in this program.**

**Only single family homes are eligible to receive down payment assistance. All single family homes to which the applicant seeks to apply their purchase certificate, must meet Federal Housing Quality Standards in order for said house to be eligible for down payment assistance. For the purposes of this program, all homes are considered “ineligible” until said home passes the Federal Housing Quality Standards inspection and until Nassau County gives written notice that a home is “eligible” to receive grant funds. Nassau County will make the only and final determination as to the eligibility of a home based upon federal requirements, which cannot be waived and/or altered.**

*Section VI. continued on the next page*

Applicant Initials & date: \_\_\_\_\_

LIHP Counselor Initials & date: \_\_\_\_\_

**Any contract for the purchase of a home under this program should contain language that such an agreement is conditioned upon said home passing a Housing Quality Standards Inspection and receiving written approval that said house is eligible to receive grant funds. Written approval by Nassau County deeming a house “eligible” is required in order for an applicant to use grant funds toward down payment assistance. Nassau County is not responsible to any party for the loss of a down payment or any other damages which may arise as a result of a person’s failure to adhere to the terms of the 2012 Program Guidelines, herein.**

## **VII. Residency Requirement**

Applicants must occupy the property as their principal residence during the period of affordability. The period of affordability is ten (10) years pursuant to HUD guidelines. Should the Applicant sell the home prior to the expiration of the ten (10) year affordability period, all grant funds must be repaid in full upon completion of sale of said home and on a primary basis. Applicant cannot use the property as a “rental” property or use the property in any manner other than as a primary residence.

## **VIII. Pre-purchase Guidelines**

Applicant cannot have entered into a contract to purchase a home prior to the receipt of a purchase certificate from LIHP. Eligibility is determined by Nassau County according to Federal requirements.

## **IX. Homebuyer Selection Area**

All homes must be purchased within Nassau County, New York.

## **X. Mortgage Ability & Mortgage Counseling Requirements**

Applicants must have adequate resources and credit to qualify for a home mortgage. **Eligible applicants are required to attend LIHP’s pre-purchase mortgage counseling.** (This counseling session is **free of charge** and takes approximately two hours. LIHP is a HUD certified mortgage-counseling agency). LIHP assists qualified applicants in securing a mortgage. (However, it is the responsibility of the applicant to secure a mortgage.) Applicants must submit to LIHP all standard documentation required for mortgage processing, including signed copies of the last three years of their Federal Income Tax Returns, W-2 forms, four (4) most recent consecutive pay stubs for every adult in the household and three (3) months most recent bank statements (all pages) and investment accounts, for every adult in the household, showing assets needed for down payment and closing costs.

It is the responsibility of the Applicant to secure a mortgage. Federal regulations require that the amount of down payment assistance be necessary and reasonable. To meet this requirement, LIHP will conduct a mortgage ability analysis to establish the appropriate amount of down payment assistance. A standard of 25% of income for front-end housing cost (principal, interest, taxes and insurance) shall be applied. This amount will be determined based on the applicant’s income, sales price of home and outstanding expenses and debt. After LIHP has conducted this analysis, any applicant whose front-end housing costs are less than 25% of their income will have their down payment assistance reduced to meet 25% standard. Please notify or forward LIHP a copy of the accepted offer and loan application (1003) from lender, as soon as possible, to expedite the mortgage ability analysis.

Applicant Initials & date: \_\_\_\_\_

LIHP Counselor Initials & date: \_\_\_\_\_

In addition, all loans to finance the purchase of a home will be reviewed to meet program standards. Any loan commitment that results in a back-end (debt-to-income) loan ratio greater than 45% will not be allowed.

## **XI. Restrictions**

Mortgages must be with a recognized lending institution. The following types of mortgages are **not** permitted under the First Time Homebuyer Program:

1. Private mortgages are not permitted.
2. “No Doc” Loans, 100% financing, and 80/20 loans are not permitted.
3. 203K loans are not permitted.
4. Adjustable rate or interest only loans are not permitted.
5. Non-occupying Co-Borrowers are not permitted.

## **XII. Mortgage Counseling Certificate Issuance**

Upon successful completion of a one-on-one mortgage counseling session with LIHP, applicants will be provided with a Mortgage Counseling Certificate.

## **XIII. Application Intake and Qualification**

Applications will be evaluated and certified on a first come, first served basis. The deadline for submitting applications and supporting documentation will be when LIHP has qualified 75 applicants as eligible or July 31, 2012, whichever is sooner. Participation in the program after the above criteria has been reached will be at the sole discretion of Nassau County and based upon the availability of federal grant funds.

Eligible applicants will be required to attend mortgage counseling through the LIHP. Upon successful completion of the mortgage counseling, the eligible applicant will be issued a Purchase Certificate. Only applicants who receive mortgage counseling through LIHP will be eligible for a Purchase Certificate. Applicants must contact LIHP to schedule a counseling session.

Applicants with a valid Purchase Certificate will be given until October 1, 2012, to enter into a contract to purchase an **eligible** home and provide LIHP with a copy of the fully executed purchase contract. The Purchase Certificate will become null and void if the applicant does not provide LIHP with a fully executed purchase contract by October 1, 2012, or if the funding limit for the program year has been reached. **No extensions of these requirements will be granted.**

All applicants must close on a home by January 31, 2013, with a recognized lending institution. **No extensions will be granted.** To meet the January 31, 2013 closing deadline, the mortgage commitment and supporting documents must be received at LIHP by December 31, 2012.

## **XIV. Home Inspection Requirement**

The residential property to be purchased **must** pass a Housing Quality Standards Inspection as a pre-requisite for receiving any grant funds. This inspection is provided by Nassau County and is solely for the purpose of ensuring that the home meets a minimum standard of quality pursuant to the U.S. Department of Housing and Urban Development regulations (HUD). Without exception, this program will **not** fund homes that **fail** the Federal Housing Quality Standards Inspection. Nassau County strongly recommends that the recipient of a Purchaser’s Certificate **not** enter into any binding agreements until the potential home has passed the Federal Housing Quality Standards

Applicant Initials & date: \_\_\_\_\_

LIHP Counselor Initials & date: \_\_\_\_\_

Inspection. In addition to the HQS inspection, the applicant should have a licensed home inspector inspect the property at the applicant's expense after conferring with your attorney.

Nassau County is not responsible to any person, party, entity, Applicant, buyer, seller, etc., for the loss of any deposit and/or down payment on a home which has not passed a Federal Housing Quality Inspection.

## **XV. Proof of No Lead Based Paint**

The purchase of a residential property constructed prior to 1978 must pass a **visual** lead based paint assessment conducted by a certified lead based paint inspector. LIHP must be provided with written certification of this assessment. **The program will not fund homes that do not pass this initial assessment.** Homes built after 1978 are not required to have this assessment; however, it is the responsibility of the applicant, under the program, to provide LIHP with proof that the home being purchased was constructed after 1978. **LIHP and Nassau County are not responsible for the cost of the visual assessment.** Qualified applicants will be provided with a Lead Paint Information Packet and a list of certified lead paint inspectors at the time the Purchaser Certificate is issued.

## **XVI. Pre-Contract Agreement**

**The purchaser of the home cannot displace an existing tenant. Both the purchaser and the seller will be required to sign a Pre-Contract Agreement to verify that this restriction is not being violated.**

The applicant must not have entered into a contract to purchase the house prior to the receipt of an eligibility letter from LIHP. All homes must be purchased within Nassau County, New York. No funds will be issued if a closing occurs prior to full and complete satisfaction of all of the 2012 Nassau County Down Payment Assistance Program Guidelines, herein. **Nassau County is not responsible for any funds lost as a result of enforcement of the 2012 Program Guidelines.**

## **XVII. Annual Re-certification**

For up to ten (10) years after purchasing the home, a monitoring affidavit will be mailed annually to the grant recipient. This affidavit will ask the grant recipient to verify, in writing, that they are maintaining the following required guidelines:

- They are the current owners of the assisted home;
- The assisted home is being occupied as their primary residence;
- The assisted home is insured and maintained in compliance with the terms of the Note(s) and Mortgage(s); and
- No interest in the assisted home has been sold, rented or transferred.

Failure to adhere to the terms of the monitoring requirements may result in the immediate recapture of the entire amount of grant funds previously awarded.

## **XVIII. Closing**

Applicant(s) shall send all documents including Pre-Contract Agreement, Contract of Sale, Mortgage Application (Form 1003), Appraisal, Mortgage Commitment, and Lead Based Paint Assessment to LIHP, as agent for Nassau County. **Please forward documents to LIHP as you receive them. Do not wait until you have all documents.** A minimum of three (3) weeks should be allowed between when all signed documents are received by the Long Island Housing Partnership and the date of the closing. See Section XIII for program deadlines.

Applicant Initials & date: \_\_\_\_\_

LIHP Counselor Initials & date: \_\_\_\_\_

Nassau County will notify the applicant's attorney when funds are available to close. At closing, the recipient will be required to sign a Certification of Family Income, a HOME Down Payment Assistance Agreement and a Nassau County Note & Mortgage.

The Note and Mortgage are subordinate to the prime lender (the institution providing the primary mortgage) and includes an affordability period of ten (10) years. The Down Payment Assistance Program funds are essentially a deferred payment, non-interest loan, to assist the buyer in a first-time home purchase. If the home is kept in compliance during this time period (10 years), the loan is forgiven and no payments will be required on the loan. Upon completion of the ten (10) year affordability period and assuming the home is in compliance, the applicant may request an "application for satisfaction" from Nassau County or LIHP and the **applicant will be responsible** for any and all fees associated with preparing and filing the satisfaction at the Nassau County Clerk's Office.

Once all legal matters are satisfied a closing will be scheduled by Nassau County.

**HOME Down Payment Assistance Program monies will be provided to the buyer by Nassau County at the closing. A Nassau County representative will attend all closings, regardless of the funding source.**

## **XIX. Complete Application Requirement**

A non-refundable application fee of \$75.00 made payable to the *Long Island Housing Partnership, Inc.* is required to be submitted with the application. Therefore, before you make an application for entrance into this program, **read the guidelines thoroughly** to be certain that you qualify. **Only one application is allowed. After the Application has been submitted, any changes to an application must be requested in writing *and* must be approved by Nassau County. Applications submitted after the deadline date will not be considered. A signed copy of the 2012 Program Guideline Acknowledgement must be returned with the Application.**

**Applications received shall be evaluated and certified on a first come, first served basis based on the availability of funds.**

A letter from LIHP, detailing the eligibility or ineligibility, will be sent to each applicant after a full review of the applicant has been conducted.

Applications must be completed in full and be accompanied by the \$75.00 application fee. Please mail completed applications to:

**Nassau County Office of Community Development  
40 Main Street, 1st Floor  
Homeownership Center, Suite B  
Hempstead, NY 11550  
Attention: Down Payment Assistance Program**

Applicant Initials & date: \_\_\_\_\_

LIHP Counselor Initials & date: \_\_\_\_\_

## **Application Deadlines**

1. **July 31, 2012:** Last day to submit applications to LIHP.
2. **October 1, 2012:** Last day to submit a contract to purchase an eligible home to LIHP. Failure to submit a purchase contract will nullify Purchaser's Certificate.
3. **December 31, 2012:** Last day to obtain a mortgage commitment and submit all required documents to LIHP.
4. **January 31, 2013:** Last day to close on an eligible property.

### **INQUIRIES:**

LONG ISLAND HOUSING PARTNERSHIP, INC.  
As agent for Nassau County Office of Community Development  
Hauppauge Office:  
180 Oser Avenue, Suite 800, Hauppauge, NY 11788  
(631) 435-4710

Nassau Office:  
LONG ISLAND HOUSING PARTNERSHIP, INC.  
C/O Nassau County Office of Community Development  
40 Main Street, First Floor  
Homeownership Center, Suite B  
Hempstead, NY 11550  
(516) 572-2723

Applicant Initials & date: \_\_\_\_\_

LIHP Counselor Initials & date: \_\_\_\_\_

# LIHP & Applicant(s)

(To be filled out after completion of LIHP counseling)

By signing below, I certify that I have read and understand the 2012 Program Guidelines. I further certify that the 2012 Program Guidelines have been explained to me by an LIHP Counselor and that my questions have been answered by an LIHP counselor. Additionally, I certify that I have received an initialed copy of the 2012 Program Guidelines as part of the mortgage counseling session with LIHP and **I know and understand that I am required to provide 2012 Program Guidelines to my Attorney prior to entering into any contract for the purchase of a home under this program.**

\_\_\_\_\_  
Applicant's Name (Please Print)

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary

By signing below, I certify that I have read and understand the 2012 Program Guidelines. I further certify that the 2012 Program Guidelines have been explained to me by an LIHP Counselor and that my questions have been answered by an LIHP counselor. Additionally, I certify that I have received an initialed copy of the 2012 Program Guidelines as part of the mortgage counseling session with LIHP and **I know and understand that I am required to provide 2012 Program Guidelines to my Attorney prior to entering into any contract for the purchase of a home under this program.**

\_\_\_\_\_  
Co-Applicant's Name (Please Print)

\_\_\_\_\_  
Co-Applicant's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary

LIHP - Counseled by:

\_\_\_\_\_  
Name of LIHP Counselor (Please Print)

\_\_\_\_\_  
Signature of LIHP Counselor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary

Applicant Initials & date: \_\_\_\_\_

LIHP Counselor Initials & date: \_\_\_\_\_

# ACKNOWLEDGMENT

**PLEASE RETAIN A COPY OF THESE GUIDELINES AFTER YOU SEND  
IN YOUR APPLICATION AS THEY CONTAIN IMPORTANT PROGRAM  
INFORMATION**

## Applicant(s)

(To be filled out and returned with application)

By signing below, I certify that I have read the above 2012 Nassau County Program Guidelines above.

\_\_\_\_\_  
Applicant's Name (Please Print)

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

By signing below, I certify that I have read the above 2012 Nassau County Program Guidelines above.

\_\_\_\_\_  
Co-Applicant's Name (Please Print)

\_\_\_\_\_  
Co-Applicant's Signature

\_\_\_\_\_  
Date

Applicant Initials & date: \_\_\_\_\_

LIHP Counselor Initials & date: \_\_\_\_\_